

Background

SNC Boardmembers have been briefed in the past relative to the Pacific Forest and Watersheds Land Stewardship Council (Council). Established in 2004, the Council is a private non-profit foundation with a staff of 15 professionals and a board of 18 members made up of representatives from state and federal agencies, water districts, tribal and rural interests, forest and farm industry groups, conservation organizations, the California Public Utilities Commission (CPUC) and Pacific Gas and Electric Company (PG&E).

The Council was formed as part of a PG&E settlement agreement with the CPUC, as described in the Final Order and Settlement Agreement, and the Stipulation Resolving Issues Regarding the Land Conservation Commitment (Stipulation). This agreement establishes that 140,000 acres of PG&E's watershed lands will be conserved in perpetuity for:

- Outdoor recreation;
- Sustainable forestry;
- Agriculture;
- Natural resource protection;
- Open space preservation; and
- Protection of historic and cultural resources.

In addition to overseeing the conservation of these watershed lands, the Council was directed by the CPUC to include the creation of a Youth Investment Program. This program will provide \$30 million in funding over ten years to programs that provide outdoor opportunities for underserved youth or enhance parks and recreation resources.

Under the terms of the agreement the Council is to cease to exist upon completion of its charge.

Current Status

As pointed out at past Board meetings, staff has had ongoing general discussions with Council staff relative to a possible role for the SNC in the disposition of the PG&E lands. Those discussions have generally consisted of ensuring a common understanding of each organization's mission, responsibilities and strategic direction. It is clear that the missions of both organizations are compatible in terms of long-term conservation of these lands. In that context, SNC staff has communicated that our strategic direction does not envision us as a land owning or managing entity, but that we are particularly interested in opportunities for research, demonstration and pilot projects on these lands and are willing to consider a possible long-term role in the land transfer agreements, given the dissolution of the Stewardship Council in the future.

In recent months the SNC and the Council have engaged in more specific discussions as to a potential role for SNC. The Council has made its first decision relative to conveying ownership of one of the properties (Kennedy Meadows in Tuolumne County) and hopes to have an agreement in place by the end of the year.

At this time, staff has been exploring the potential with the Council of the SNC serving as a “third party” to the land conveyance agreements. The third party could generally serve to oversee the long term implementation or agreements and address issues and unforeseen circumstances that may arise. This role seems to be consistent with the SNC’s purpose and capability. This concept will be discussed by the Council Board on September 17 and additional information may be provided to the SNC Board following that meeting and prior to the September 23 Board meeting.

Should such a role be more seriously considered, the SNC has made it clear that the following must be in place:

- A secure funding source to adequately cover SNC costs associated with this role for perpetuity.
- A clearly defined role for the SNC, to avoid future confusion and misunderstandings.

Next Steps

Following Board comments and direction, assuming continued Council interest, SNC staff will continue discussions with the Stewardship Council to determine whether there is an appropriate role for the SNC. If such a role is identified, staff will bring back a formal recommendation to the Board at the December Board meeting.

Recommendation

Staff recommends that the Board provide direction regarding ongoing discussions with the Stewardship Council, including guidance as to the advisability of the SNC serving as a third party in land conveyance agreements. The Chair may wish to name a two member committee to work with staff on developing a recommendation for the December Board meeting.